

House Engrossed Senate Bill

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona

Senate

Forty-seventh Legislature

Second Regular Session

2006

CHAPTER 373

SENATE BILL 1442

AN ACT

AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2930; MAKING AN APPROPRIATION; RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 36, chapter 29, article 1, Arizona Revised Statutes,
3 is amended by adding section 36-2930, to read:

4 36-2930. Temporary medical coverage program; qualifications;
5 fund; program termination

6 A. THE TEMPORARY MEDICAL COVERAGE PROGRAM IS ESTABLISHED. BEGINNING
7 OCTOBER 1, 2006, THE ADMINISTRATION SHALL ESTABLISH ELIGIBILITY FOR THE
8 PROGRAM FOR ANY UNINSURED PERSON WHO MEETS THE FOLLOWING REQUIREMENTS:

9 1. IS A RESIDENT OF THIS STATE.

10 2. IS A CITIZEN OF THE UNITED STATES OR A LEGAL RESIDENT THAT MEETS
11 THE REQUIREMENTS OF SECTION 36-2903, SUBSECTION B OR C.

12 3. SUBMITS AN APPLICATION AS PRESCRIBED BY THE ADMINISTRATION.

13 4. HAS BEEN ELIGIBLE FOR SERVICES PURSUANT TO SECTION 36-2901,
14 PARAGRAPH 6 OR SECTION 36-2931, PARAGRAPH 5 AND ENROLLED IN THE SYSTEM,
15 EXCLUDING PERSONS WHO ARE RECEIVING SERVICES PURSUANT TO SECTION 36-2912, AT
16 ANY TIME WITHIN TWENTY-FOUR MONTHS BEFORE THE PERSON SUBMITS AN APPLICATION
17 PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION.

18 5. IS RECEIVING BENEFITS PURSUANT TO 42 UNITED STATES CODE SECTION
19 423.

20 6. IS NOT ELIGIBLE FOR MEDICARE BENEFITS PURSUANT TO 42 UNITED STATES
21 CODE SECTION 426(b) OR SECTION 426-1.

22 B. THE DIRECTOR MAY ADOPT RULES TO IMPLEMENT THE PROGRAM AND THE
23 REQUIREMENTS OF THIS SECTION AND TO PRESCRIBE THE FOLLOWING:

24 1. THE APPLICATION PROCESS.

25 2. ACTUARIALLY SOUND CAPITATION RATES.

26 3. THE COLLECTION OF MONTHLY PREMIUMS FROM PROGRAM ENROLLEES. MONTHLY
27 PREMIUMS SHALL NOT EXCEED THE CAPITATION RATE PAID TO HEALTH PLANS FOR THE
28 ENROLLEE AND SHALL BE BASED ON THE ENROLLEE'S GROSS HOUSEHOLD INCOME WITH
29 TIERED PREMIUMS FOR ANY ENROLLEE WHOSE INCOME IS:

30 (a) MORE THAN ONE HUNDRED BUT NOT MORE THAN ONE HUNDRED FIFTY PER CENT
31 OF THE FEDERAL POVERTY GUIDELINES.

32 (b) MORE THAN ONE HUNDRED FIFTY BUT NOT MORE THAN TWO HUNDRED PER CENT
33 OF THE FEDERAL POVERTY GUIDELINES.

34 (c) MORE THAN TWO HUNDRED BUT NOT MORE THAN TWO HUNDRED FIFTY PER CENT
35 OF THE FEDERAL POVERTY GUIDELINES.

36 (d) MORE THAN TWO HUNDRED FIFTY BUT NOT MORE THAN THREE HUNDRED PER
37 CENT OF THE FEDERAL POVERTY GUIDELINES.

38 (e) MORE THAN THREE HUNDRED PER CENT OF THE FEDERAL POVERTY
39 GUIDELINES.

40 C. ALL COVERED SERVICES SHALL BE PROVIDED BY HEALTH PLANS THAT HAVE
41 CONTRACTS WITH THE ADMINISTRATION PURSUANT TO SECTION 36-2906.

42 D. UNLESS OTHERWISE REQUIRED BY THE ADMINISTRATION, THE HEALTH PLANS
43 SHALL PROVIDE MEDICALLY NECESSARY HEALTH AND MEDICAL SERVICES AS REQUIRED BY
44 SECTION 36-2907.

1 E. A PERSON WHO IS ENROLLED IN THE PROGRAM MUST NOTIFY THE
2 ADMINISTRATION WHEN THE PERSON BECOMES ELIGIBLE FOR MEDICARE BENEFITS THROUGH
3 42 UNITED STATES CODE SECTION 426(b) OR SECTION 426-1. A PERSON WHO IS
4 ENROLLED IN THE PROGRAM AND WHO BECOMES ELIGIBLE FOR MEDICARE BENEFITS IS
5 INELIGIBLE FOR THE PROGRAM.

6 F. IF THE DIRECTOR DETERMINES THAT MONIES MAY BE INSUFFICIENT FOR THE
7 PROGRAM, THE ADMINISTRATION MAY STOP PROCESSING APPLICATIONS UNTIL THE
8 ADMINISTRATION IS ABLE TO VERIFY THAT FUNDING IS SUFFICIENT TO FUND THE
9 PROGRAM.

10 G. THE TEMPORARY MEDICAL COVERAGE FUND IS ESTABLISHED CONSISTING OF
11 PREMIUMS COLLECTED FROM ENROLLEES PURSUANT TO SUBSECTION B OF THIS SECTION,
12 LEGISLATIVE APPROPRIATIONS, GIFTS, GRANTS AND DONATIONS RECEIVED BY THE
13 ADMINISTRATION TO OPERATE THE PROGRAM. THE ADMINISTRATION SHALL USE FUND
14 MONIES TO PAY FOR THE SERVICES AND COSTS ASSOCIATED WITH PERSONS WHO ARE
15 ELIGIBLE PURSUANT TO THIS SECTION. ON NOTICE FROM THE ADMINISTRATION, THE
16 STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY
17 SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE
18 FUND. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION.

19 H. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2016
20 PURSUANT TO SECTION 41-3102.

21 Sec. 2. Appropriations; purpose; exemption

22 A. The sum of \$6,500,000 is appropriated from the state general fund
23 in fiscal year 2006-2007 to the temporary medical coverage fund for the
24 purposes of this act.

25 B. Monies collected in the temporary medical coverage fund established
26 in section 36-2930, Arizona Revised Statutes, as added by this act, are
27 appropriated in fiscal year 2006-2007 to the Arizona health care cost
28 containment system administration for the purposes of this act.

29 Sec. 3. Exemption from rule making

30 For the purposes of this act, the Arizona health care cost containment
31 system administration is exempt from the rule making requirements of title
32 41, chapter 6, Arizona Revised Statutes, for one year after the effective
33 date of this act.

~~APPROVED BY THE GOVERNOR JUNE 21, 2006.~~

~~FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 21, 2006.~~